

## THE BUSINESS OUTLOOK.

The decrease in the number of failures during the summer months past has been adduced as evidence that the depression is departing, and by others as the usual momentum generally given to trade during this half of the year. Our American exchanges come to us with reassurances of the dawn of better times in the United States. These are now followed by the usual quarterly record of failures prepared by the Mercantile Agency of Dun, Wiman & Co., confirming the approaching change. It is encouraging to note as regards Canada that the amount of liabilities is gradually lessening, showing that the weeding out process must be approaching nearer its close; but if many of the rotten concerns who have failed were allowed to go to the wall at once, instead of replanting them, it were much better for the business of the country. The failures for Canada for the first nine months of this year are as follows:

	Failures.	Amount.
First quarter.....	477	\$7,418,930
Second quarter.....	381	5,276,206
Third quarter.....	398	5,091,914

Total.....1,256 \$17,786,150

A melancholy exhibit when we consider the numbers of last year's record, but somewhat encouraging when comparison is made:

	Failures.	Amount.
First 9 months of 1875.....	1,569	\$21,911,544
First 9 months of 1876.....	1,256	17,786,150

Decrease..... 313 \$4,125,394

The mercantile failures throughout the United States, for the past three months 2,448 in number, give an increase over those of the second quarter of the year, equal to twenty-five per cent. In order to show at a glance the relative figures, we compile from the circular the failures of each quarter of the year since the beginning of 1875.

	1875.		1876.	
	No.	Amount.	No.	Amount.
1st quarter..1,982	\$43,173,000	2,806	\$64,644,000	
2d quarter..1,581	33,667,000	1,744	43,771,000	
3d quarter..1,771	51,328,000	2,450	47,857,000	
4th quarter..2,405	70,888,000	—	—	

It was hoped that the failures in the third quarter of the present year, just closed, would show a reduction corresponding with that indicated in the second quarter, but this was perhaps too much to expect. The improvement in business, which has been so generally apparent recently, did not evince itself till two-thirds of the quarter had expired, and even then was too restricted to influence those in an embarrassed position.

The amount of liabilities, however, involved in the failures of the third quarter

of the year, show a considerable decrease in proportion to the number of failures reported. The average amount of liabilities for each failure in the last quarter is \$19,500, against \$24,300 in the preceding quarter, and against \$30,600 in corresponding quarter of last year. Taking the average of the whole seven quarters of the two years thus far elapsed, the indebtedness involved in each failure of the past three months is \$5,000 less than for the quarter preceding. Two inferences are drawn from this reduction of the proportionate liabilities—first that smaller traders have been yielding to the pressure of the times, and that a less number of large concerns have failed; and, second, that the lines of credit have been restricted and indebtedness reduced. Certainly it would appear from these figures that less is lost in bad debts in proportion to the number who succumb.

The comparison of the past nine months of 1876 with those of 1875 is not at all cheering, as will be seen by the following:

	Failures.	Amount.
First 9 months of 1876.....	7,050	\$156,272,000
First 9 months of 1875.....	5,331	131,172,000
Increase.....	1,719	\$25,100,000

But notwithstanding these depressing figures, Messrs. Dun, Wiman & Co. are disposed to look favorably upon the business prospects. They say "the indications are that an improved condition of trade generally prevails. Allowing for the exaggeration of the first revival symptoms it is undeniable that in several of the great staples of business there is increased activity, with an improvement in values, sufficient to encourage the hope of profit. Consequent upon these indications, there is everywhere apparent a decided increase in confidence, and this most essential element toward the return of prosperity is very perceptibly gaining ground. It is very certain that all the conditions favor a very considerable movement in those branches of trade based upon the necessities of the people, and especially in those articles which they eat, drink, and wear. The stocks of these articles in the hands of those nearest the consumer had been reduced to a minimum, not only because of a lesser demand and a restricted purchasing power, but because of such a steady decline in prices, that to hold many goods was the surest way to lose money. Prices had reached a point at which production was profitless, resulting in lessened quantities produced. But the reaction has commenced. Thus, demand, price and supply seemed at the lowest ebb, indicating as complete a reversal of the condition of things on the 1st September,

1876, as compared with those of the same date in 1873, as it was possible to imagine. There is not only a good deal to show we are nearer a prosperous condition, but there are many proofs that the lengthened depression has not produced general exhaustion. The vast majority of our merchants and manufacturers, though they have suffered heavily, have sustained themselves in spite of the altered conditions of business, and the general stagnation of trade. This power of resisting the continued strain has been the hopeful feature of the past, as it is now of the future, when there are indications, be they ever so slight, of improvement. Meantime, notwithstanding the reverses of those in trade, the great bulk of producers in agricultural regions have prospered. This vast body, upon whose prosperity must be based that of all others in this country, have been exceptionally favored. Good crops, bringing good prices, cheap freights, reduced cost of labor, and lower prices for all supplies, have largely increased their purchasing power, and placed them in a position comparatively independent of the adverse circumstances prevailing in other classes." We cannot speak so cheerfully of the crops in Canada, but there is evidence that prices will rule high.

The present document professes to record only the number and amount of mercantile failures. The casualties among insurance agents, holders of real estate and other persons not strictly in mercantile business are not included. These would swell the amounts considerably. We agree with the *Financial Chronicle* that the Agency could make its reports more useful to the business community by giving the percentage of dividends paid by the insolvents. As it is, they offer but comparatively few data for useful economic deduction. They would very much enhance the value of their services to economic and statistical research if they could compile some trustworthy statements as to the amount of capital actually lost by the failures they report. Some of the other ambitious agencies have here a field in which they may distinguish themselves and contribute to the general fund of useful information.

## FEATURES OF LIFE INSURANCE.

Many persons who recognize the benefits of life insurance, make the excuse to themselves that they cannot afford it—that it takes all they earn to support themselves and families. But let any man consider how much has gone in one way and another out of his income or his earnings, without any knowledge of what